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SUBJECT: THAKSIN LOYALIST SEES LIGHT AT THE END OF THE
TUNNEL

Classified By: DCM Alex Arvizu, reason: 1.4 (d).

SUMMARY

11. (C) Former House of Representatives Speaker Bhokin Bhalakula claimed the upcoming legislative election would reaffirm majority support for Thai Rak Thai (TRT), although Prime Minister Thaksin Shinawatra likely would not seek to remain as Prime Minister. In a September 8 lunch with the Ambassador, Bhokin -- a Deputy Leader of TRT rumored as a potential successor to Thaksin -- claimed the King also wanted elections as soon as possible and would refrain from undemocratic political intervention. Upcoming elections would further deflate the challenge from Thaksin's opponents, and an upcoming reshuffle of top military, police, and civil service positions would ensure the complete loyalty to the administration of state bureaucracies and the security forces. End Summary.

OPTIMISTIC ABOUT ELECTIONS

12. (C) In a September 8 lunch at the Ambassador's residence, former House of Representatives Speaker Bhokin Bhalakula expressed optimism about upcoming legislative elections. The northern and northeastern regions of Thailand -- which together accounted for a majority of the constituency-based seats in the House -- remained solidly pro-TRT, he asserted. Reviewing the background behind TRT's populist policies, Bhokin noted TRT would continue the programs that had generated enthusiasm among the lower and middle class; future government grants under the small, medium, and large-scale (SML) village fund program would increase by at least 50 percent. Other political parties could not compete with TRT's proven approach of delivering benefits. Rival Democrat Party leader Abhisit Vejjajiva was too young to challenge TRT effectively; Abhisit knew only how to criticize, and he did so in a long-winded manner that most Thai found unappealing, according to Bhokin.

THE KING'S POSITION

13. (C) Bhokin said the King wanted elections as soon as possible, highlighting that the King had quickly signed the Royal Decree (issued on September 6) calling for an extraordinary session of the Senate (September 8-10) to select Election Commission members. Prior to receiving the decree for approval, Bhokin related, the King had signaled his eagerness by asking unspecified persons about the decree's disposition. The King respected democracy and

viewed elections as a source of legitimacy; he would continue to refuse to take drastic steps affecting political processes. However, the King did not want to speak out publicly on this matter, according to Bhokin, because his words often created controversy as various sides offered rival interpretations.

SONDHI WENT TOO FAR, PEOPLE ARE WEARY

¶4. (C) Thaksin was a victim of his own success, Bhokin lamented. Democrat Party leaders had come to realize that it would take at least 15 years before they could hope to regain power through elections. Meanwhile, the armed forces had become split, partly because soldiers benefiting from illegal activities, such as the drug trade, had suffered under TRT's policies. And academics found their status diminished under Thaksin, as TRT had sufficient human resources that the party did not need to rely on ivory tower experts. It became easy for those upset with Thaksin to generate negative publicity, as they could easily pay off journalists to write negative stories.

¶5. (C) Media mogul Sondhi Limthongkul proved able to unite disgruntled members of the elite. Bhokin noted Sondhi had successfully installed various associates in key government positions, but his influence began to wane; the final blow pushing Sondhi into opposition was the dismissal of crony Viroj Nualkhair from his position as CEO of state-owned Krung Thai Bank. However, although Sondhi benefited from the support of royalist oligarchs, he had gone too far in projecting himself as a representative of the King's interests. The public did not appreciate Sondhi's approach, and it led to diminished participation in the rallies of

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Sondhi's People's Alliance for Democracy (PAD). In a recent survey (NFI), 60 percent of respondents blamed the PAD for the current turmoil, Bhokin claimed, and he predicted further tapering off of PAD support after the upcoming election's reaffirmation of TRT's majority support.

RESHUFFLE

¶6. (C) Bhokin predicted an upcoming reshuffle of top military, police, and civil service positions would ensure that government and security forces officials would "totally obey" the administration. Comparing the government to a ship, Bhokin said there currently were some holes in the hull, but after the election, it would be smooth sailing. The King would endorse the reshuffle plan as received from the government, Bhokin said, noting parenthetically that, if the King did not, "the whole country will blow up."

THAKSIN TO STEP DOWN

¶7. (C) The Ambassador asked whether Thaksin might try to return as Prime Minister after the next election. Bhokin believed Thaksin had already made a decision not to do so, irrespective of the election results. Citing Thaksin's early April audience with the King, Bhokin said Thaksin would likely opt not to be Prime Minister, in order to lessen the degree of tension in the country. Bhokin observed that Thaksin nevertheless wanted to remain TRT Party Leader, claiming Thaksin was motivated not by a desire to protect himself and his assets, but rather by patriotism and his longstanding interest in politics.

MORE ON PALACE INFLUENCE

¶8. (C) When the Ambassador asked about the wisdom of Thaksin's decision to dissolve the parliament in February, Bhokin replied that Thaksin had received advice to do so from

Privy Council President Prem Tinsulanonda as well as then-Cabinet Secretary Borwornsak Uwanno. Bhokin then confided that Thaksin had discussed the matter directly with the King; when Thaksin had presented various alternatives to resolve growing political tension, the King had said it would be better to dissolve the parliament.

¶9. (C) The Ambassador also asked about the June resignations of Borwornsak and then-Deputy Prime Minister Wissanu Krea-ngam. Bhokin claimed that the two came under pressure from an individual named Meechai, who was close to Prem and presumably reflected Palace views. (We presume the reference was to law professor Meechai Ruchupan, a former cabinet minister in Prem's administration.)

COMMENT

¶10. (C) Bhokin made a persuasive but hardly unbiased case that TRT has reason for optimism as elections approach. His claim that Thaksin is inclined not to remain as Prime Minister tracks with a relatively common perception among the political class, although we noted Bhokin stopped short of offering categorical assurance on this point. We believe Thaksin has not yet made a firm decision on this matter.

BOYCE